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The Connecticut Association of Not-for-profit Providers For the Aging

Testimony to the Appropriations Committee Regarding the Governor's Proposed Budget Mitigation Plan

March 11, 2010

**Presented by Stephen McPherson
CANPFA Chair, President & CEO of Masonicare**

The non-profit and mission driven members of CANPFA have made a commitment to serve our elderly and chronically ill through the full continuum of long term care. We believe that people should receive the services they need, when they need them, in the place they call home.

Good afternoon Senator Harp, Representative Geragosian, and members of the Appropriations Committee. My name is Stephen McPherson and I am the President and CEO of Masonicare, a not-for-profit provider of the full continuum of long term care services including home health care and assisted living services provided statewide. I am also the Chairman of the Board of the Connecticut Association of Not-for-profit Providers for the Aging (CANPFA).

I am here today to speak against the Governor's proposed five percent cut to the Medicaid rates for community based long term care providers.

The non-profit and mission driven members of CANPFA have made a commitment to serve older adults and the chronically ill through the full continuum of long term care services. We believe that people should receive the services they need, when they need them, in the place they call home. But this mission is becoming more and more difficult as the cost of providing the continuum of care continues to rise while the rate of Medicaid reimbursement remains stagnant. At Masonicare we currently lose \$18.04 per visit on every Medicaid home care client visit. The total shortfall last year was in excess of \$4.5 or 25% of the cost of caring for these Medicaid recipients.

The Governor's proposed 5% cut to all the Home Care Program services and all other home and community based Medicaid providers will be extremely difficult for non-profit providers to absorb. We fear these cuts will negatively affect access to community based care as providers will be unwilling or unable to accept these rates. To propose budget cuts that will limit access and prevent elderly and chronically ill clients from receiving cost effective services in their homes or in the community is extremely short sighted a state that has adopted and embraced a long term care plan with the goal of rebalancing the long term care system and providing choice for individuals seeking long term care.

An example of this is the affect that this proposal will have on Adult Day Centers. The Governor is not only proposing a 5% rate cut for this community based service, but she is also seeking to revoke their recent 4.2% rate increase. This would bring the already inadequate state rate of \$66.22 a day down to \$60.37.

Many adult day centers will be forced to close at this rate. I can testify to this from experience as Masonicare was forced to close our three adult day centers several years ago due to the unsustainable financial losses.

I understand the challenges the State of Connecticut faces as it attempts to balance its budget. At Masonicare we face similar challenges and have adopted many cost saving measures, including wage freezes, increased employee cost sharing for health and dental insurance and reducing reimbursement amounts for mileage. Cuts in Medicaid payments will accelerate this crisis and further limit our ability to care for those in need.

In closing I urge you, on behalf of the non-profit providers of aging services, to oppose these proposed cuts to community based long term care services. Community based care provides a cost-effective means for providing these needed long term care services to Connecticut residents.

Thank you and I would be glad to answer any questions.

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